



This document is scheduled to be published in the Federal Register on 10/22/2015 and available online at <http://federalregister.gov/a/2015-26817>, and on [FDsys.gov](http://FDsys.gov)

## **FEDERAL RESERVE SYSTEM**

### **Proposed Agency Information Collection Activities; Comment Request**

**AGENCY:** Board of Governors of the Federal Reserve System

**SUMMARY:** On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), to approve of and assign OMB numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB number.

**DATES:** Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**ADDRESSES:** You may submit comments, identified by *FR Y-12/12A*, *FR 2230*, *FR 4001*, or *Reg H-7* by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.
- E-mail: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20<sup>th</sup> Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18<sup>th</sup> and 19<sup>th</sup> Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the OMB Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235 725 17<sup>th</sup> Street, NW, Washington, DC 20503 or by fax to (202) 395-6974.

**FOR FURTHER INFORMATION CONTACT:** A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents

will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

## **SUPPLEMENTARY INFORMATION:**

### **Request for comment on information collection proposals**

The following information collections, which are being handled under this delegated authority, have received initial Board approval and are hereby published for comment. At the end of the comment period, the proposed information collections, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

**Proposal to approve under OMB delegated authority the extension for three years, without revision, of the following reports:**

1. *Report title:* Consolidated Bank Holding Company Report of Equity Investments in Nonfinancial Companies and the Annual Report of Merchant Banking Investments Held for an Extended Period.

*Agency form number:* FR Y-12, FR Y12A, respectively.

*OMB control number:* 7100-0300.

*Frequency:* FR Y-12: quarterly or semi-annually, FR Y-12A: annually.

*Reporters:* Bank holding companies (BHCs), financial holding companies (FHCs) and savings and loan holding companies (SLHCs).

*Estimated annual reporting hours:* FR Y-12: 1,650 hours, FR Y-12A: 133 hours.

*Estimated average hours per response:* FR Y-12: 16.5 hours, FR Y-12A: 7 hours.

*Number of respondents:* FR Y-12: 28, FR Y-12A: 19.

*General description of report:* This collection of information is mandatory and authorized to be collected from BHCs and FHCs pursuant to Section 5(c) of the Bank Holding Company Act (12 U.S.C. 1844(c)(1)(A)) and from SLHCs pursuant to section 10 of the Home Owners Loan Act (12 U.S.C. 1467a(b)). Overall, the Federal Reserve does not consider the data collected on the FR Y-12 to be confidential. However, a holding company may request confidential treatment

pursuant to sections (b)(4) of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4)). The Board considers the data collected on the FR Y-12A to be confidential pursuant to sections (b)(4) and (b)(8) of FOIA (5 U.S.C. 552(b)(4) and (b)(8)).

*Abstract:* The FR Y-12 collects information from certain domestic BHCs and SLHCs on their equity investments in nonfinancial companies. The FR Y-12 data serve as an important risk-monitoring device for institutions active in this business line by allowing supervisory staff to monitor an institution's activity between review dates. They also serve as an early warning mechanism to identify institutions whose activities in this area are growing rapidly and therefore warrant special supervisory attention. The FR Y-12A is filed annually by institutions that hold merchant banking investments that are approaching the end of the holding period permissible under Regulation Y. The FR Y-12A data continue to be a useful tool for examiners to monitor institutions that have merchant banking investments that are approaching holding period limitations.

*2. Report title:* Bank Secrecy Act Suspicious Activity Report (BSA-SAR).

*Agency form number:* FR 2230.

*OMB control number:* 7100-0212.

*Frequency:* On occasion.

*Reporters:* State member banks (SMBs), BHCs and their nonbank subsidiaries, Edge and agreement corporations, and the U.S. branches and agencies, representative offices, and nonbank subsidiaries of foreign banks supervised by the Federal Reserve.

*Estimated annual reporting hours:* 159,071 hours.

*Estimated average hours per response:* 1.5 hours.

*Number of respondents:* 5,489.

*General description of report:* The BSA-SAR is required by law, pursuant to authority contained in the following statutes: 12 U.S.C. 248(a)(1), 3105(c)(2), 3106(a), and 625 of the International Banking Act, 12 U.S.C. 1844(c) of the Bank Holding Company Act, and 12 U.S.C. 1818(s) of the Federal Deposit Insurance Act. The obligation to file a SAR is set forth in the Board's rules, and is mandatory for SMBs (12 CFR 208.62(c)); entities subject to the Bank Holding Company Act and their nonbank subsidiaries (12 CFR 225.4(f)); Edge and agreement corporations (12 CFR 211.5(k)); and U.S. branches, agencies, and representative offices of foreign banks (12 CFR 211.24(f)). BSA-SARs are exempt from FOIA disclosure by 31 U.S.C. 5319, which specifically provides that SARS "are exempt from disclosure under section 552 of title 5", and FOIA exemption 3, 5 U.S.C. 552(b)(3) (matters "specifically exempted from disclosure by statute").

*Abstract:* Since 1996, the Federal Reserve Board, the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the National Credit Union Administration, and the

Department of the Treasury's Financial Crimes Enforcement Network have required certain types of financial institutions to report known or suspected violations of law and suspicious transactions. To fulfill these requirements, supervised banking organizations file SARs. Law enforcement agencies use the information submitted on the reporting form to initiate investigations and the Federal Reserve uses the information in the examination and oversight of supervised institutions.

3. *Report title:* Domestic Branch Notification.

*Agency form number:* FR 4001.

*OMB control number:* 7100-0097.

*Frequency:* On occasion.

*Reporters:* SMBs.

*Estimated annual reporting hours:* 131 hours.

*Estimated average hours per response:* 30 minutes for expedited notifications and 1 hour for nonexpedited notifications.

*Number of respondents:* 60 expedited and 101 nonexpedited.

*General description of report:* Section 9(3) of the Federal Reserve Act, (12 U.S.C. 321), requires that SMBs obtain prior Federal Reserve approval before establishing a domestic branch. This requirement is implemented by the provisions of Section 208.6 of the Board's Regulation H, (12 CFR 208.6). The obligation of SMBs to request prior approval of the appropriate supervising Reserve Bank in order to establish a domestic branch is mandatory. The individual respondent information in the notification is not considered confidential.

*Abstract:* The Federal Reserve Act and Regulation H require an SMB to seek prior approval of the Federal Reserve System before establishing or acquiring a domestic branch. Such requests for approval must be filed as notifications at the appropriate Reserve Bank for the SMB. Due to the limited information that an SMB generally has to provide for branch proposals, there is no formal reporting form for a domestic branch notification. An SMB is required to notify the Federal Reserve by letter of its intent to establish one or more new branches and provide with the letter evidence that public notice of the proposed branch(es) has been published by the SMB in the appropriate newspaper(s). The Federal Reserve uses the information provided to fulfill its statutory obligation to review any public comment on proposed branches before acting on the proposals and otherwise to supervise SMBs.

4. *Report title:* Disclosure Requirements in Connection With Subpart H of Regulation H (Consumer Protections in Sales of Insurance).

*Agency form number:* Reg H-7.

*OMB control number:* 7100-0298.



*Frequency:* On occasion.

*Reporters:* State member banks.

*Estimated annual reporting hours:* 13,372 hours.

*Estimated average hours per response:* 1.5 minutes

*Number of respondents:* 849.

*General description of report:* Section 305 of the Gramm-Leach-Bliley Act of 1999 requires that the Federal Reserve and the other federal banking agencies issue joint regulations applicable to retail sales practices, solicitations, advertising, or offers of insurance by depository institutions. (12 U.S.C. 1831x) Subpart H of the Federal Reserve's Regulation H, Consumer Protection in Sales of Insurance, implements section 305 on behalf of the Federal Reserve, and provides for the disclosures outlined above. (12 CFR part 208, subpart H) The obligation of SMBs to make these disclosures is mandatory. Since the Federal Reserve does not collect any information, no issue of confidentiality normally arises.

*Abstract:* Subpart H of Regulation H was adopted pursuant to section 305 of the Gramm-Leach-Bliley Act of 1999, which required the federal banking agencies to issue joint regulations governing retail sales practices, solicitations, advertising, and offers of insurance by, on behalf of, or at the offices of insured depository institutions. The insurance consumer protection rules

in Regulation H require depository institutions to prepare and provide certain disclosures to consumers. Covered persons are required to make certain disclosures before the completion of the initial sale of an insurance product or annuity to a consumer and at the time a consumer applies for an extension of credit in connection with which an insurance product or annuity is solicited, offered, or sold.

Board of Governors of the Federal Reserve System, October 19, 2015.

Robert deV. Frierson

Secretary of the Board.

Billing Code 6210-01-P

[FR Doc. 2015-26817 Filed: 10/21/2015 08:45 am; Publication Date: 10/22/2015]